

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

Customer No : 26874 Confirmation No.

Applicant : Clubb, et al.

Serial No. : 10/682,663 Art Unit: 3695

Filed : October 9, 2003 Examiner: Thomas M. Hammond III

For : System and Method for Revenue and Authorization Management

REPLY BRIEF

Mail Stop Appeal Brief - Patents
Commissioner for Patents
P.O. Box 1450
Alexandria, VA 22313-1450

Dear Sir:

This Reply Brief is filed to address new arguments raised by Examiner in the Examiner's Answer, mailed on June 10, 2010 ("Examiner's Answer").

I. Introduction

Applicant notes that prosecution continues in the two related applications: US Patent Application 10/682,601 (Hydra I) and US Patent Application 11/555,518 (Hydra III). Both applications have been subject to additional office actions and/or responses since the filing of the present Application's Appeal Brief on February 22, 2010 ("Appeal Brief").

The Examiner indicated that the issues presented in this appeal could have been raised in the Non-Final Office Action, dated 12/11/2008 (December 2008 OA). Applicant notes that the amendments and arguments presented in the Response to the December 2008 OA (RESP to DEC 2008 OA) were tailored to specific issues discussed during a telephone interview, which took place on 1/29/2009 (2009 Interview). Applicant believed, at that time, that those amendments and arguments presented the most efficient path to an allowance on the Application (which has already been the subject of one Request for Continued Examination), however, the Final Rejection, dated 6/25/2009, (2009 Final Rejection) and citation of Sarcanin (US Patent No. 6,941,285) convinced Applicant of the need to proceed with the appeal at hand.

The Examiner correctly noted that the claims were rejected under the combination of Allen (US Patent No. 7,280,645); Black (US Patent No. 7,117,172), and Sarcanin.¹ As Applicant was focusing on the rejections for claims/features based on the combination Allen and Sarcanin, Black was not discussed in the Appeal Brief but Applicant agrees that the entire rejection is based on the combination of all three references. Applicant also notes and agrees with the Examiner's correction regarding the concession as to what Allen does not teach. Applicant misinterpreted the scope of Examiner's concession and appreciates the clarification that the concession actually combined the concept of "allocating a plurality of independent subsets of said master wallet" in combination with said allocation occurring "prior to an event arrival including a request". However, Applicant contends that neither Sarcanin alone nor the

¹ See, Issue B of the Examiner's Answer at page 15.

combination of Allen/Sarcanin render that limitation obvious, under 35 USC 103(a), as will be discussed herein.

The Examiner's Answer² largely restates positions proffered by the Examiner in the 2009 Final Rejection but adds the additional citation, with regard to Claim 29, to Allen at 6:60-64. There also appears to be additional argument, by the Examiner, regarding the motivation to combine references with regard to Claims 24 and 35. The Examiner contended that one might have been motivated to combine the prior art cited "in order to account for and track usage in sub-accounts of a master account."³ The Examiner continued:

Allen discloses the basic architectural framework to monitor usage via a master account and sub-accounts linked to the master account. Black and Sarcanin are merely relied upon to show the specific allocation features that could be utilized by such architecture.⁴

Given the counter-arguments raised in Examiner's Answer, Applicant shall focus this Reply Brief in four parts:

- A) Sarcanin lacks the specific allocation feature of allocating a subset prior to an event arrival;
- B) It would not be obvious to combine the teachings of Sarcanin with Allen;
- C) Neither Allen nor Sarcanin disclose the architecture of the independent subsets; and
- D) Allen does not teach reallocating unused portions to different shadow wallets.

² Examiner's Answer pp. 4-14.

³ Examiner's Answer at 2 and 3 citing Allen at 1:25-47.

⁴ Examiner's Answer at 2 and 3.

II. Response to Arguments Raised in Examiner's Answer

A. Sarcanin Does Not Disclose Allocation of a Subset Prior to an Event Arrival

The Examiner contended that Sarcanin discloses:

[A] partitioned master account with 3 sub-accounts. These sub-accounts function independently as shown by the updated purchase and balance information.⁵

The Examiner directed Applicant to Sarcanin 49:53-50:30. This section includes the following teaching:

VirtualSAFE may allocate a certain amount of pre-authorized spending money per month to their children on their credit/debit card. Similarly, businesses or friends who are registered and authenticated users of VirtualSAFE may allocate a certain amount of pre-authorized spending money from their accounts to authorized personnel, friends, etc.

[Quote section continued on next page.]

⁵ Sarcanin at 50:1-10.

Consider the following example:

Parents/Businesses/Friends
Pre-authorized Payment/Transfer with Shared Access
\$450.00

Pre-authorized Amount

<i>Child's Name</i>	<i>Payment</i>	<i>Purchases</i>	<i>Balance</i>
<i>Robert Smith</i>	<i>150.00</i>	<i>100.00</i>	<i>50.00</i>
<i>Anna Smith</i>	<i>150.00</i>	<i>57.00</i>	<i>93.00</i>
<i>Billy Smith</i>	<i>150.00</i>	<i>148.00</i>	<i>2.00</i>

[End of Quoted Section]

The preauthorized limits of Sarcin are not the same thing as instantiating an individual subset prior to an event arrival. Sarcin more closely resembles the call control limitations present in US Patent 6,788,772 (Barak) which was previously cited by the Examiner⁶ against an earlier set of claims in this Application. Sarcin, like Barak, does not impose any structural limitations on the resource partitioning of the Application. Sarcin merely affords access rights according to a particular designation.⁷

⁶ Response to Office Action dated April 23, 2008, at page 8.

⁷ See, Sarcin at 18:44-67 [emphasis added]:

Group-based access control is characterized by the following:

- 1) Authorizations are defined according to classes of objects or resources where a member of a group may be authorized to access a particular resource. This enables a class of resources to be accessible to a group of users without specifying individual resource access privileges.
- 2) Access to specific resources are defined by the activities required by a particular group. A group is defined by its authorizations and a user may be afforded access rights according to a group designation.

Therefore, Sarcanin discloses a limit associated with a particular subscriber but not a subset associated with that subscriber. The fact that these limits may be set ahead prior to their utilization is irrelevant to the claim limitation which requires allocation of a subset prior to event arrival. That the table⁸ lists updated purchase/balance information associated with a particular user says nothing about establishing a subset which functions independently from the “master account” by said shadow wallet being associated with a specific logical server/datastore.⁹ The application of Sarcanin, to the language of the claim amendment from the RESP to DEC 2008 OA, in isolation from the rest of the claim language in that clause, to hold the Group I claims obvious, contravenes the requirements of MPEP 2141.02 which requires that:

In determining the differences between the prior art and the claims, the question under 35 U.S.C. 103 is not whether the differences themselves would have been obvious, but whether the claimed invention as a whole would have been obvious.¹⁰

Thus, Applicant respectfully disagrees with Examiner’s contention that Sarcanin discloses the allocation of “a plurality of independent subsets of said master wallet, prior to an event arrival including a request, each of said subsets hereinafter referred to as a shadow wallet, wherein each shadow wallet is associated with one of said plurality of logical servers and its associated logical datastore.”¹¹ Since all the words in Claim 24 were not evaluated¹² in applying Sarcanin to the specifically claimed allocation features of the present Application, Applicant respectfully requests that the rejection under 35 USC 103(a) be reversed by the Board.

⁸ Sarcanin at 50:1-10.

⁹ Application at Claim 24.

¹⁰ *Stratoflex, Inc. v. Aeroquip Corp.*, 713 F.2d 1530, 218 USPQ 871 (Fed. Cir. 1983); *Schenck v. Nortron Corp.*, 713 F.2d 782, 218 USPQ 698 (Fed. Cir. 1983).

¹¹ Application at Claim 24.

¹² "All words in a claim must be considered in judging the patentability of that claim against the prior art." *In re Wilson*, 424 F.2d 1382, 1385, 165 USPQ 494, 496 (CCPA 1970).

B. It Would Not Have Been Obvious to Combine the Teachings of Sarcanin with Allen to Render the Limitation “Allocation of a Subset Prior to an Event Arrival Including a Request” as Unpatentable Under 35 USC 103(a).

As discussed above, Sarcanin alone does not disclose the allocation of subsets prior to event arrival; therefore, de facto, the combination Sarcanin and Allen must also fail as the Examiner has previously conceded that the temporal allocation feature claimed in the Claim 24 is not present in Allen alone.¹³

In the Examiner’s Answer¹⁴, the Examiner stated:

[I]t would have been obvious to one of ordinary skill in the art ... to incorporate the ... initial subset account allocation of Sarcanin into the usage account system of Allen. One would have been motivated to do so in order to account for and track usage in sub-accounts of a master account....[citing KSR International Co. v. Teleflex Inc.¹⁵] merely combining well known prior art elements in a well known manner to obtain predictable results is sufficient to determine an invention obvious over such combination. Since Allen ... and Sarcanin are all implemented through similar computer technologies (i.e., a master account with linked sub-accounts to monitor and control usage), combining their features using such well-known techniques would be reasonable ... in addition, since the elements disclosed by Allen ... and Sarcanin would function in the same manner in combination as they do in

¹³ MPEP 2143.03.

¹⁴ Examiner’s Answer at Page 6.

¹⁵ *KSR Int'l Co. v. Teleflex, Inc.*, 550 U.S. 398 (2007) (*hereinafter, KSR*).

their separate embodiments, it would be reasonable to conclude that their resulting combination would be predictable.

Applicant respectfully disagrees with these contentions. In the first place, generally, Sarcanin is directed to solving a different problem than that of the present application.¹⁶ While the ability to rebut an Examiner's argument on a combination of prior art references based on hindsight has been diminished by *KSR*¹⁷, in general, it is logically less likely that an invention (such as the one detailed in Sarcanin), which deals with an authentication layer for an emulated smart card, would also teach the specific account balance management techniques of the present Application.

More specifically, Applicant further contends that Sarcanin should not be combined because it would no longer function in the same manner in combination as it does in its separate form. Sarcanin describes setting a call control limitation which, like the previously cited Barak, would mean that users are all competing from the same pot for authorization of their transaction rather than having an independent subset allocated to them, prior to event arrival.¹⁸ This contention is corroborated in Sarcanin via a portion of the passage cited by the Examiner which states:

The preauthorized user is able to both debit and credit the account as per agreement and policy.¹⁹

This passage illustrates that the users have access to one single account as opposed to individual subsets. Therefore, the temporal limitation of present claim 24 is not simply a combination of the prior art elements of Allen and Sarcanin to yield a predictable result because grafting Sarcanin onto Allen would render either Sarcanin or Allen inoperable for the purpose for

¹⁶ See, Sarcanin at 44:1-10: VirtualSAFE operates as an authentication layer or authentication authority between the user, the terminal and the VirtualSAFE server. Through a multi-tiered authentication mechanism, the remote user is queried and authenticated to produce smart card emulation as if the physical card was present.

¹⁷ MPEP 2141.

¹⁸ Referring specifically to [248-249] of the Application: A number of Consumer Servers (925) may access a single wallet in a wallet server (e.g. large resources and bundled allowances) through the creation of Shadow wallets on each Consumer Server (925), preventing contention for single resource values.

which they were intended. For Sarcanin, management of subsets, as opposed to access limitations, would complicate the primary purpose of authenticating a user for a transaction. It would also eliminate Sarcanin's ability to offer group-based access control to a single resource as the resource would, necessarily, be divided into separate, structural subsets.²⁰ For Allen, as described above²¹, the use of access limitations instead of subsets would invite competition for a single resource, amongst multiple users, potentially to the point of overdrawing the account.

Therefore, Applicant respectfully requests that the rejection under 35 USC 103(a) be reversed by the Board.

C. Neither Allen nor Sarcanin Disclose the Architecture of the Independent Subsets Which Allow the Independent Allocation and Monitoring of the Shadow Wallets

The Examiner makes the contention that:

The portion of Allen cited by the Examiner [referencing June 2009 Final Rejection at p.5:1-3 which cited Allen at Col. 6:10-59] as well as C1/L51-67, explicitly details such functionality, by allowing the individual control and monitoring functions of the sub-account users (i.e. shadow wallets) of the master account.

The portions cited by the Examiner detail a certain set of functions but say nothing about the architecture, disclosed in the present Application, which achieves this functionality. In particular, the cited section discusses the use of physical prepaid calling cards. The section cited

¹⁹ See generally, Sarcanin 50:24-26.

²⁰ See, Sarcanin at 18:44-67 [emphasis added]:

Group-based access control is characterized by the following:

- 1) Authorizations are defined according to classes of objects or resources where a member of a group may be authorized to access a particular resource. This enables a class of resources to be accessible to a group of users without specifying individual resource access privileges.
- 2) Access to specific resources are defined by the activities required by a particular group. A group is defined by its authorizations and a user may be afforded access rights according to a group designation.

by the Examiner with regard to Sarcanin deals with sub-accounts. Neither contemplates the kind of architecture, for which Figure 3 of the Application was cited²² as an exemplary embodiment, of associating shadow wallets with logical servers and associated datastores. As the Applicant is permitted to be his own lexicographer, specific terms were utilized in the claims (e.g., master wallet, logical server, logical datastore, shadow wallet, etc.) to limit the claims to a specific architecture and these nuances do not appear to have been addressed. Applicant's original Appeal Brief discusses this architecture in the Summary of Group 1 at pp 11-12. Therefore, Applicant respectfully requests that the rejection under 35 USC 103(a), relating to claims containing limitations with regard to the architecture of the present Application, be reversed by the Board.

D. Allen Does Not Disclose the Reallocation of Unused Portions to Different Shadow Wallets

In the Examiner's Answer at 10(D), the Examiner stated that

[T]he cited portion of Allen (C6/L60-64, C1/L51-67) discloses that the system individually monitors each call from the sub-accounts (i.e. shadow wallets) to ensure that any remaining (i.e. unused) minutes from a particular sub-account are reclaimed to the master account for reallocation to another sub-account. In addition Allen discloses that any of the sub-accounts can recharge (i.e. add more minutes) to the master account.

²¹ See, *supra*, FN18 and accompanying text.

²² See, Summary of Group I at Appeal Brief at 12.

Allen only discloses returning funds to the overall account balance. Allen does not reallocate that balance to another shadow wallet²³ as is specifically claimed by Claim 29 (note the bolded/underlined text):

29. A computerized system as claimed in Claim 28 wherein said wallet server further comprises computer executable instructions to reclaim an unused portion of said usage allowance **allocated to a second shadow wallet and reallocate said unused portion to said first shadow wallet.**

Therefore, Applicant respectfully requests that the rejection under 35 USC 103(a), relating to reallocation of usage allowance to different shadow wallet, be reversed by the Board.

III. CONCLUSION

Accordingly, the Examiner's Answer regarding the rejection of Claim 24 (and the rest of the claims in Group I) as well as its rejection of Claim 29 (and the rest of the claims in Group II) as obvious over the combination of Allen, Black, and Sarcinari does not address specific limitations in those claims sufficiently as outlined *supra* and in Applicant's Appeal Brief. Therefore, Applicant respectfully requests the Board to reverse the rejections of the Office so that this Application might proceed to an allowance at the earliest possible date.

²³ See, Allen at Col. 6:62-64: If a call is completed, remaining minutes allocated to the cardholder are returned to the overall account balance (step 656).

The Commissioner for Patents is hereby authorized to charge any deficiency or credit any overpayment of fees to Frost Brown Todd LLC Deposit Account No. 06-2226.

Respectfully submitted,

Clubb et al.

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